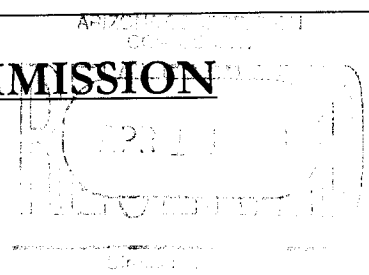


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-03510A
Circle City Water Company, L.L.C.
P. O. Box 82218
Bakersfield CA 933800000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2002
----	----	------

*Entered
4/30/03
C.W.M.*

FOR COMMISSION USE

ANN04	02
-------	----

OK

COMPANY INFORMATION

Company Name (Business Name) CIRCLE CITY WATER COMPANY, LLC

Mailing Address P.O.BOX 82218

BAKERSFIELD
(Street)

CA

93380

(City)

(State)

(Zip)

(661) 633-7546

(800) 748-6981

(661) 428-5453

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address rth@brookeutilities.com

Local Office Mailing Address P.O.BOX 82218

BAKERSFIELD
(Street)

CA

93380

(City)

(State)

(Zip)

(661) 633-7546

(800) 748-6981

(661) 428-5453

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address rth@brookeutilities.com

MANAGEMENT INFORMATION

Management Contact: ROBERT T. HARDCASTLE

MANAGING MEMBER

(Name)

(Title)

P.O.BOX 82218

BAKERSFIELD

CA

93380

(Street)

(City)

(State)

(Zip)

(661) 633-7526

(800) 748-6981

(661) 978-4777

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address rth@brookeutilities.com

On Site Manager: FIRST NATIONAL MANAGEMENT INC

(Name)

P.O.BOX 2899

GILBERT

AZ

85299-2899

(Street)

(City)

(State)

(Zip)

(602) 632-6170

(602) 632-6171

N/A

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address N/A

Statutory Agent: <u>ROBERT T. HARDCASTLE</u>			
(Name)			
P.O.BOX 82218	BAKERSFIELD	CA	83380
(Street)	(City)	(State)	(Zip)
(661) 633-7526	(800) 748-6981	(661) 978-4777	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: <u>JAY SHAPIRO @ FENMORE CRAIG</u>			
(Name)			
3003 N. CENTRAL AVE., STE 2600,	PHOENIX	AZ	85012-2913
(Street)	(City)	(State)	(Zip)
(602) 916-5366	(602) 916-5566	N/A	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input checked="" type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

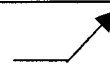
- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME: CIRCLE CITY WATER LLC

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	7,928	-	7,928
304	Structures and Improvements	28,011	8,903	19,108
307	Wells and Springs			
311	Pumping Equipment	13,842	4,308	9,534
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	31,163	13,784	17,379
333	Services			
334	Meters and Meter Installations	15,920	2,867	13,053
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	96,864	29,862	67,002

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME: CIRCLE CITY WATER LLC

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	7,928	0.00%	-
304	Structures and Improvements	28,011	4.94%	1,385
307	Wells and Springs			
311	Pumping Equipment	13,842	16.83%	2,330
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	31,163	6.31%	1,966
333	Services			
334	Meters and Meter Installations	15,920	4.03%	642
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	96,864	6.53%	6,323

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.



COMPANY NAME: CIRCLE CITY WATER LLC

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash		
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	1,384	2,041
146	Notes/Receivables from Associated Company		
151	Plant Materials and Supplies		
162	Prepayments	84,538	84,538
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 85,922	\$ 86,579
	FIXED ASSETS		
101	Utility Plant in Service	\$ 96,864	\$ 96,864
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(23,539)	(29,862)
121	Not-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 73,325	\$ 67,002
	DEFERRED INCOME TAX DEBITS		
	TOTAL ASSETS	\$ 159,247	\$ 153,580

COMPANY NAME: CIRCLE CITY WATER LLC

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 529	\$ 629
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Company	1,931,346	2,095,213
235	Customer Deposits	4,290	3,870
236	Accrued Taxes	835	2,157
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 1,937,000	\$ 2,101,869
	LONG-TERM DEBT (Over 12 Months)		
224	Long-term Notes and Bonds	\$ -	\$ -
	Deferred Credits		
251	Unamortized Premium on Debt		
	Refundable Meter Advances	\$ 4,978	\$ 4,210
252	Advances in Aid of Construction	16,530	15,589
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	6,004	6,004
272	Less: Amortization of Contributions	(3,202)	(3,802)
281	Accumulated Deferred Income Taxes		
	TOTAL DEFERRED CREDITS	\$ 24,310	\$ 22,001
	TOTAL LIABILITIES	\$ 1,961,310	\$ 2,123,870
	CAPITAL ACCOUNTS		
201	Common Stock Issued		
211	Paid In Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props & Partnerships)	(1,802,063)	(1,970,289)
	TOTAL CAPITAL	\$ (1,802,063)	\$ (1,970,289)
	TOTAL LIABILITIES AND CAPITAL	\$ 159,247	\$ 153,580

COMPANY NAME: CIRCLE CITY WATER LLC

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 65,177	\$ 65,076
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 65,177	\$ 65,076
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 4,215	\$ 5,843
610	Purchased Water	169,076	169,076
615	Purchased Power	15,532	11,885
618	Chemicals		
620	Repairs & Maintenance	2,424	420
621	Office Supplies and Expense		
630	Outside Services	21,426	25,174
635	Water Testing	1,293	934
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability		
659	Insurance - Health and Life	760	974
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	6,725	4,865
403	Depreciation Expense	5,506	6,323
408	Taxes Other Than Income	3,835	3,949
408.11	Property Taxes	1,669	3,744
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 232,461	\$ 233,188
	OPERATING INCOME/(LOSS)	\$ (167,284)	\$ (168,112)
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(49)	
	TOTAL OTHER INCOME/EXPENSE	\$ (49)	\$ (114)
	NET INCOME/(LOSS)	\$ (167,333)	\$ (168,226)

COMPANY NAME

CIRCLE CITY WATER LLC

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 4,210

Meter Deposits Refunded During the Test Year

\$ 768

COMPANY NAME	Circle City Water Co., L.L.C.
---------------------	-------------------------------

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-625088	5/5	120/130	U/A	8"	3"	late 1950s

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None	----	-----

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	2	none	none

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
50,000	1	5,000	1

COMPANY NAME

Circle City Water Co., L.L.C.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	165
3/4	0
1	0
1 1/2	0
2	0
Comp. 3	0
Turbo 3	0
Comp. 4	0
Tubo 4	0
Comp. 6	0
Tubo 6	0

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

None

STRUCTURES:

1 electrical panel w/tin roof-welded steel construction- 2-6" cemented
legs installed 1982

OTHER:

COMPANY NAME: Circle City Water Co., L.L.C.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	164	1,120,670	1,207,100
FEBRUARY	165	1,272,790	1,482,500
MARCH	164	1,485,140	1492,700
APRIL	165	1,399,510	1,499,000
MAY	164	1,554,830	1,603,000
JUNE	165	2,245,210	2,475,100
JULY	165	2,054,084	2,081,400
AUGUST	165	1,956,636	2,197,800
SEPTEMBER	165	2,362,550	2,393,000
OCTOBER	165	1,526,500	1,822,600
NOVEMBER	165	1,505,870	1,714,400
DECEMBER	165	1,317,186	1,385,100
TOTAL		N/A	21,352,700

19800976 cm

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(x) Yes () No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount:_____

What is the level of arsenic for each well on your system. 0.0030 mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME CIRCLE CITY WATER LLC

YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 2,706.80

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

#5872
..... 834.67*+
#6119
..... 1,872.13 +
002
..... 2,706.80 *

COMPANY NAME CIRCLE CITY WATER LLC

YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>(168,226)</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>(168,226)</u>
Estimated or Actual State Tax Liability	<u>0</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



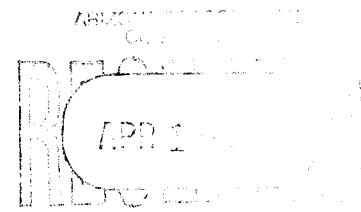
SIGNATURE

DATEROBERT T. HARDCASTLE

PRINTED NAMEMANAGING MEMBER

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF CALIFORNIA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	KERN
NAME (OWNER OR OFFICIAL) TITLE	ROBERT T. HARDCASTLE, MANAGING MEMBER
COMPANY NAME	CIRCLE CITY WATER LLC

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION

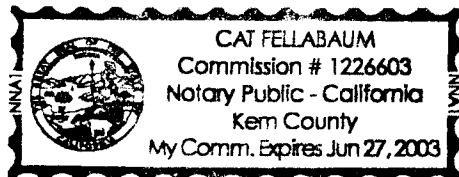
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:



Arizona IntraState Gross Operating Revenues Only (\$)

\$ 65,076

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 3,949
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

10th

DAY OF

(SEAL)

MY COMMISSION EXPIRES 6-27-03

SIGNATURE OF OWNER OR OFFICIAL

(661) 633-7526

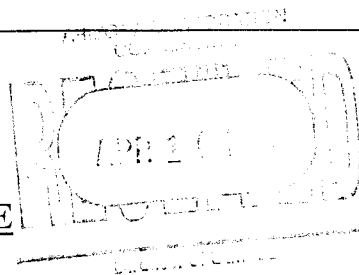
TELEPHONE NUMBER

COUNTY NAME	KERN
MONTH	APRIL
YEAR	20 03

SIGNATURE OF NOTARY PUBLIC

Cat Fellabaum

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF CALIFORNIA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) KERN	
NAME (OWNER OR OFFICIAL) ROBERT T. HARDCASTLE	TITLE MANAGING MEMBER
COMPANY NAME CIRCLE CITY WATER LLC	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

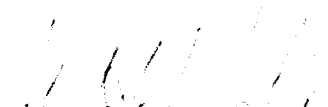
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

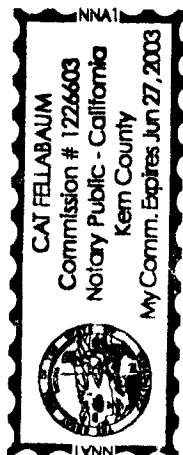
ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 57,718

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 3,574
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL



SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

10TH

DAY OF

(SEAL)

MY COMMISSION EXPIRES

6-27-03

NOTARY PUBLIC NAME CAT FELLABAUM	
COUNTY NAME KERN	
MONTH APRIL	2003

X 
SIGNATURE OF NOTARY PUBLIC



Circle City Water Company, L.L.C.
P.O. Box 82218
Bakersfield, CA 93380-2218

BANK OF AMERICA
1440 TRUXTUN AVENUE
BAKERSFIELD, CA 93301

05872

16-66
1220

CHECK NO.

***** Eight Hundred Thirty-Four and 67/100 *****

DATE

AMOUNT

Mar 27 02

\$834.67

PAY
TO THE
ORDER
OF

MARICOPA COUNTY TREASURER
DOUG TODD
P.O. BOX 78574
PHOENIX, AZ 85062-8574

⑈005872⑈ ⑆122000661⑆ 14764⑈01495⑈

⑈0000083467⑈

04/04/02 001 279 288 1 61137506 4 4765040302

04/04/02
122000661

5060272933

>1221-0229-7<

CREDIT TO ACCT OF
NAMED PAYEE WITH
OUT PREJUDICE
ABSENCE OF ENDOR
MENT GUARANTEED
BANK ONE, NV

AP '02 03

122100000
BANK ONE, NV
PHOENIX, ARIZONA

RESERVED



Circle City Water Company, L.L.C.
P.O. Box 82218
Bakersfield, CA 93380-2218

BANK OF AMERICA
1440 TRUXTUN AVENUE
BAKERSFIELD, CA 93301

16-66
1220

CHECK NO.

06119

***** One Thousand Eight Hundred Seventy-Two and 13/100 *****

DATE

Oct 15 02

AMOUNT

\$1,872.13

MARICOPA COUNTY TREASURER
DOUG TODD
P.O. BOX 78574
PHOENIX, AZ 85062-8574

⑈006119⑈ ⑆122000661⑆ 14764⑈01495⑈

⑈0000187213⑈

PAY
TO THE
ORDER
OF

10/24/02 LA:CA
122000661 06

11649 537 0000000000

5860115487

>1221-0229-7<

CREDIT TO
NAMED PA
OUT PRE
ABSENCE OF E
MENT GUARAN
BANK ONE, NA

102302 296 033 052 053 1 64137506 0 066S102302

GT 02 23

122100024
BANK ONE, NA
PHOENIX, AZ

⑈57121733⑈